

Abstract – credit agreement

Presented thesis deals with the credit agreement, risks related with this type of contract and legislation of this institute in selected Member States of the European Union. The credit agreements are concluded between the lender and the debtor. Through the credit agreement, the lender agrees to provide to debtor at his request and for his benefit funds to a certain amount, and the debtor agrees to return the funds back and pay interest. The credit agreements can be concluded between different types of subjects. In this case, attention was focused on a special type of credit agreement which is concluded between a consumer and a businessman.

For the consumer credit market is typical an asymmetry of information, when subjects on one side of the market have better information than subjects on the other side. In this context, consumers are seen as weaker entities to which must be provided increased protection in legal relationships. In the EU consumer protection receive considerable attention. Union promotes consumer primarily through secondary sources of law – Directives (Directive 2011/83/EU of the European Parliament and of the Council of 25 October 2011 on consumer rights, Council Directive 93/13/EEC of 5 April 1993 on unfair terms in consumer contracts., Directive 2008/48/EC of the European Parliament and of the Council of 23 April 2008 on credit agreements for consumers, Directive 2005/29/EC of the European Parliament and of the Council of 11 May 2005 concerning unfair business-to-consumer commercial practices in the internal market). In the Czech Republic, the consumer protection is provided by Act No. 89/2012 Coll., The Civil Code, Act No. 145/2010 Coll., Consumer Credit and Act No. 634/1992 Coll., Consumer protection, to which was referred European legislation implemented.

The current situation in the field of consumer credits and consumer agreements in the Czech Republic is not very satisfactory. Consumers face many unfair practices by providers of consumer credits, when entering into the credit relationships (excessively high cost of credit, interest, contractual penalties, usury, etc.). However, the comparison of consumer protection legislation in the Czech Republic and other EU Member States (UK, Germany, Poland, Austria, Slovakia) shows, that the Czech Republic has sufficiently effective legislative instruments that can be used to minimize of predatory practices of providers of consumer credits. The key to eliminating predatory lending lies not in adopting the new regulations but rather in the rigorous supervision of the observance of the rules and the application of strict sanctions on entities that violate them. But Czech legislature look also for other, simpler ways to achieve this target – as an example can be present proposal to regulate

the annual percentage rate of charge for consumer credits. However, references of the states that have experiences with this way of regulation are not always positive.